

UNIFIED SCHOOL DISTRICT NO. 411

GOESSEL, KANSAS

Special Financial Statements

June 30, 2011

Unified School District No. 411

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# Knudsen Monroe & Company LLC

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 411  
Goessel, Kansas

We have audited the accompanying primary government financial statements of the individual funds of Unified School District No. 411, Goessel, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2010 financial statements and in our report dated October 28, 2010, we expressed an unqualified opinion on the financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 411, Goessel, Kansas, as of June 30, 2011, or the results of its operations for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Primary Government of Unified School District No. 411, Goessel, Kansas, as of June 30, 2011, and its cash receipts and expenditures for the year then ended on the basis of accounting described in Note 1.

*Knudsen, Monroe & Company LLC*

Certified Public Accountants

September 27, 2011

## Unified School District No. 411

## SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year ended June 30, 2011

| FUNDS                                      | Unencumbered<br>Cash Balance<br>6-30-10 | Receipts  | Expenditures | Unencumbered            |                         |
|--|---|-----------|--------------|-------------------------|-------------------------|
|  |   |           |              | Cash Balance<br>6-30-11 | Encumbrances<br>6-30-11 |
| <b>General</b>                             |   |           |              |                         |                         |
| General                                    | \$ (174,599)                            | 2,237,559 | 2,135,822    | (72,862)                | 233                     |
| Supplemental general                       | (36,220)                                | 702,696   | 661,000      | 5,476                   | -                       |
| <b>Special revenue</b>                     |   |           |              |                         |                         |
| At Risk (K-12)                             | 26,473                                  | 64,644    | 53,679       | 37,438                  | -                       |
| Capital outlay                             | 757,007                                 | 224,026   | 417,763      | 563,270                 | -                       |
| Driver training                            | 3,300                                   | 24,674    | 24,351       | 3,623                   | -                       |
| Food service                               | 47,277                                  | 134,820   | 141,532      | 40,565                  | -                       |
| Professional development                   | 22,779                                  | -         | 8,723        | 14,056                  | -                       |
| Special education                          | 259,828                                 | 417,620   | 441,429      | 236,019                 | -                       |
| Vocational education                       | 44,000                                  | 101,763   | 85,593       | 60,170                  | -                       |
| KPERS special retirement contribution      | -                                       | 101,649   | 101,649      | -                       | -                       |
| Contingency reserve                        | 216,849                                 | -         | -            | 216,849                 | -                       |
| Textbook and student<br>material revolving | 34,172                                  | 11,075    | 24,563       | 20,684                  | 90                      |
| Recreation                                 | 21,088                                  | 26,418    | 25,000       | 22,506                  | -                       |
| Federal government programs                | 30                                      | 80,802    | 79,878       | 954                     | -                       |
| Activity gate receipts                     | 3,998                                   | 41,293    | 40,755       | 4,536                   | -                       |
| School projects                            | 17,347                                  | 10,686    | 13,715       | 14,318                  | -                       |
| <b>Debt service</b>                        |   |           |              |                         |                         |
| Bond and interest                          | 112,170                                 | 220,427   | 216,018      | 116,579                 | -                       |
| <b>Fiduciary</b>                           |   |           |              |                         |                         |
| Student organizations                      | -                                       | 65,138    | 65,138       | -                       | 22,197                  |
|  | \$ 1,355,499                            | 4,465,290 | 4,536,608    | 1,284,181               | 22,520                  |
|  |   |           |              |                         | 1,306,701               |

## Unified School District No. 411

SUMMARY STATEMENT OF EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

|                                       | Certified<br><u>Budget</u> | Adjustment to<br>Comply with<br><u>Legal Max</u> | Total<br>Budget for<br><u>Comparison</u> | Expenditures<br>Chargeable to<br><u>Current Year</u> | Variance<br>Over<br><u>(Under)</u> |
|---------------------------------------|----------------------------|--|--|--|------------------------------------|
| <b>General</b>                        |                            |  |  |  |                                    |
| General                               | \$2,237,492                | (101,669)  | 2,135,823                                | 2,135,822  | (1)                                |
| Supplemental general                  | 661,000                    | -  | 661,000                                  | 661,000  | -                                  |
| <b>Special revenue</b>                |                            |  |  |  |                                    |
| At Risk (K-12)                        | 117,473                    | -  | 117,473                                  | 53,679   | (63,794)                           |
| Capital outlay                        | 618,767                    | -  | 618,767                                  | 417,763  | (201,004)                          |
| Driver training                       | 24,351                     | -  | 24,351                                   | 24,351   | -                                  |
| Food service                          | 156,028                    | -  | 156,028                                  | 141,532  | (14,496)                           |
| Professional development              | 22,780                     | -  | 22,780                                   | 8,723  | (14,057)                           |
| Special education                     | 581,988                    | -  | 581,988                                  | 441,429  | (140,559)                          |
| Vocational education                  | 132,000                    | -  | 132,000                                  | 85,593   | (46,407)                           |
| KPERS special retirement contribution | 123,476                    | -  | 123,476                                  | 101,649  | (21,827)                           |
| Recreation                            | 25,000                     | -  | 25,000                                   | 25,000   | -                                  |
| <b>Debt service</b>                   |                            |  |  |  |                                    |
| Bond and interest                     | 216,018                    | -  | 216,018                                  | 216,018  | -                                  |
|                                       | <u>\$4,916,373</u>         | <u>(101,669)</u>                                 | <u>4,814,704</u>                         | 4,312,559  | <u>(502,145)</u>                   |
| Add expenditures of unbudgeted funds  |                            |  |  |  |                                    |
| Special revenue                       |                            |  |  | 158,911  |                                    |
| Fiduciary                             |                            |  |  | 65,138   |                                    |
| Total expenditures, Statement 1       |                            |  |  | <u>\$ 4,536,608</u>                                  |                                    |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                     | 2010<br><u>Actual</u> | 2011             |                  | Variance<br>Over<br>(Under) |
|-------------------------------------|-----------------------|------------------|------------------|-----------------------------|
|                                     |                       | <u>Actual</u>    | <u>Budget</u>    |                             |
| <b>GENERAL</b>                      |                       |                  |                  |                             |
| Receipts                            |                       |                  |                  |                             |
| Taxes                               |                       |                  |                  |                             |
| Tax in process                      | \$ 7,897              | 8,036            | 3,841            | 4,195                       |
| Current tax                         | 196,851               | 196,031          | 187,636          | 8,395                       |
| Delinquent tax                      | 1,625                 | 2,236            | 3,147            | (911)                       |
| Mineral production tax              | 24                    | 50               | 22               | 28                          |
| ARRA stabilization funds            | 99,949                | 38,062           | 38,062           | -                           |
| General state aid                   | 1,569,245             | 1,627,044        | 1,682,622        | (55,578)                    |
| Special education state aid         | 272,365               | 299,454          | 322,160          | (22,706)                    |
| Education Jobs Fund                 | -                     | 66,646           | -                | 66,646                      |
| Reimbursements                      | 3,426                 | -                | -                | -                           |
|                                     | <u>2,151,382</u>      | <u>2,237,559</u> | <u>2,237,490</u> | <u>69</u>                   |
| Expenditures                        |                       |                  |                  |                             |
| Instruction                         | 1,004,850             | 930,924          | 1,044,322        | (113,398)                   |
| Instructional support               | 14,745                | 12,674           | 16,650           | (3,976)                     |
| General administration              | 153,058               | 137,009          | 157,310          | (20,301)                    |
| School administration               | 196,614               | 199,151          | 203,250          | (4,099)                     |
| Operation and maintenance           | 323,347               | 283,749          | 320,065          | (36,316)                    |
| Student transportation              | 128,241               | 143,616          | 129,450          | 14,166                      |
| Other support                       | 42,465                | 41,892           | 44,285           | (2,393)                     |
| Operating transfers                 | 308,592               | 386,807          | 322,160          | 64,647                      |
|                                     | <u>2,171,912</u>      | <u>2,135,822</u> | <u>2,237,492</u> | <u>(101,670)</u>            |
| Adjustment to comply with legal max | -                     | -                | (101,669)        | 101,669                     |
| Total expenditures                  | <u>2,171,912</u>      | <u>2,135,822</u> | <u>2,135,823</u> | <u>(1)</u>                  |
| Receipts over (under) expenditures  | (20,530)              | 101,737          |                  |                             |
| Unencumbered cash, beginning        | (154,069)             | (174,599)        |                  |                             |
| Unencumbered cash, ending           | <u>\$ (174,599)</u>   | <u>(72,862)</u>  |                  |                             |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    |                | 2011           |                | Variance       |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2010           |                |                | Over           |
|                                    | <u>Actual</u>  | <u>Actual</u>  | <u>Budget</u>  | <u>(Under)</u> |
| <b>SUPPLEMENTAL GENERAL</b>        |                |                |                |                |
| Receipts                           |                |                |                |                |
| Taxes                              |                |                |                |                |
| Tax in process                     | \$ 10,326      | 11,900         | 6,864          | 5,036          |
| Current tax                        | 280,979        | 279,503        | 255,224        | 24,279         |
| Delinquent tax                     | 2,242          | 3,248          | 4,514          | (1,266)        |
| Vehicle tax                        | 35,687         | 37,207         | 39,310         | (2,103)        |
| ARRA stabilization funds           | 82,144         | -              | -              | -              |
| State aid                          | 240,425        | 370,838        | 327,777        | 43,061         |
|                                    | <u>651,803</u> | <u>702,696</u> | <u>633,689</u> | <u>69,007</u>  |
| Expenditures                       |                |                |                |                |
| Instruction                        | 319,144        | 368,455        | 417,000        | (48,545)       |
| Instructional support              | 16,441         | 12,203         | -              | 12,203         |
| School administration              | 5,753          | -              | 15,000         | (15,000)       |
| Operation and maintenance          | -              | 30,000         | 30,000         | -              |
| Operating transfers                | 310,662        | 250,342        | 199,000        | 51,342         |
|                                    | <u>652,000</u> | <u>661,000</u> | <u>661,000</u> | <u>-</u>       |
| Receipts over (under) expenditures | (197)          | 41,696         |                |                |
| Unencumbered cash, beginning       | (36,032)       | (36,220)       |                |                |
| Prior year cancelled encumbrances  | 9              | -              |                |                |
| Unencumbered cash, ending          | \$ (36,220)    | 5,476          |                |                |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    |                   | 2011           |                | Variance         |
|------------------------------------|-------------------|----------------|----------------|------------------|
|                                    | 2010              | Actual         | Budget         | Over             |
|                                    | <u>Actual</u>     |                |                | <u>(Under)</u>   |
| <b>AT RISK (K-12)</b>              |                   |                |                |                  |
| Receipts                           |                   |                |                |                  |
| Transfers from other funds         | \$ 70,623         | 64,644         | 91,000         | (26,356)         |
| Expenditures                       |                   |                |                |                  |
| Salaries and benefits              | 43,641            | 53,391         | 115,003        | (61,612)         |
| Other                              | 881               | 288            | 2,470          | (2,182)          |
|                                    | <u>44,522</u>     | <u>53,679</u>  | <u>117,473</u> | <u>(63,794)</u>  |
| Receipts over (under) expenditures | 26,101            | 10,965         |                |                  |
| Unencumbered cash, beginning       | 372               | 26,473         |                |                  |
| Unencumbered cash, ending          | <u>\$ 26,473</u>  | <u>37,438</u>  |                |                  |
| <b>CAPITAL OUTLAY</b>              |                   |                |                |                  |
| Receipts                           |                   |                |                |                  |
| Taxes                              |                   |                |                |                  |
| Tax in process                     | \$ 1,853          | -              | 75             | (75)             |
| Delinquent tax                     | 419               | 488            | 1              | 487              |
| Vehicle tax                        | 6,584             | 4,746          | 4,526          | 220              |
| Interest                           | 17,298            | 10,080         | -              | 10,080           |
| Transfers from other funds         | 19,071            | 18,223         | -              | 18,223           |
| Other                              | 6,782             | 190,489        | -              | 190,489          |
|                                    | <u>52,007</u>     | <u>224,026</u> | <u>4,602</u>   | <u>219,424</u>   |
| Expenditures                       |                   |                |                |                  |
| Equipment and furniture            | 57,532            | 136,167        | 520,000        | (383,833)        |
| Transportation equipment           | 9,114             | 64,521         | 98,767         | (34,246)         |
| Building improvements              | -                 | 217,075        | -              | 217,075          |
|                                    | <u>66,646</u>     | <u>417,763</u> | <u>618,767</u> | <u>(201,004)</u> |
| Receipts over (under) expenditures | (14,639)          | (193,737)      |                |                  |
| Unencumbered cash, beginning       | 771,646           | 757,007        |                |                  |
| Unencumbered cash, ending          | <u>\$ 757,007</u> | <u>563,270</u> |                |                  |

See notes to financial statements



## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    |                  | 2011           |                | Variance        |
|------------------------------------|------------------|----------------|----------------|-----------------|
|                                    | 2010             | Actual         | Budget         | Over            |
|                                    | <u>Actual</u>    |                |                | <u>(Under)</u>  |
| <b>DRIVER TRAINING</b>             |                  |                |                |                 |
| Receipts                           |                  |                |                |                 |
| State aid                          | \$ 1,000         | 1,406          | 1,050          | 356             |
| Other                              | 3,300            | 2,050          | -              | 2,050           |
| Transfers from other funds         | 992              | 21,218         | 20,000         | 1,218           |
|                                    | <u>5,292</u>     | <u>24,674</u>  | <u>21,050</u>  | <u>3,624</u>    |
| Expenditures                       |                  |                |                |                 |
| Salaries and benefits              | 21,856           | 24,144         | 23,625         | 519             |
| Other                              | 248              | 207            | 726            | (519)           |
|                                    | <u>22,104</u>    | <u>24,351</u>  | <u>24,351</u>  | <u>-</u>        |
| Receipts over (under) expenditures | (16,812)         | 323            |                |                 |
| Unencumbered cash, beginning       | <u>20,112</u>    | <u>3,300</u>   |                |                 |
| Unencumbered cash, ending          | <u>\$ 3,300</u>  | <u>3,623</u>   |                |                 |
| <b>FOOD SERVICE</b>                |                  |                |                |                 |
| Receipts                           |                  |                |                |                 |
| Lunch sales                        | \$ 65,678        | 57,307         | 63,031         | (5,724)         |
| Federal aid                        | 44,509           | 50,760         | 44,378         | 6,382           |
| State aid                          | 1,656            | 1,596          | 1,341          | 255             |
| Other                              | -                | 157            | -              | 157             |
| Transfers from other funds         | 28,000           | 25,000         | -              | 25,000          |
|                                    | <u>139,843</u>   | <u>134,820</u> | <u>108,750</u> | <u>26,070</u>   |
| Expenditures                       |                  |                |                |                 |
| Salaries and benefits              | 58,674           | 61,018         | 63,800         | (2,782)         |
| Food                               | 73,532           | 72,979         | 78,728         | (5,749)         |
| Supplies and other                 | 6,062            | 7,535          | 13,500         | (5,965)         |
|                                    | <u>138,268</u>   | <u>141,532</u> | <u>156,028</u> | <u>(14,496)</u> |
| Receipts over (under) expenditures | 1,575            | (6,712)        |                |                 |
| Unencumbered cash, beginning       | <u>45,702</u>    | <u>47,277</u>  |                |                 |
| Unencumbered cash, ending          | <u>\$ 47,277</u> | <u>40,565</u>  |                |                 |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    |                   | 2011           |                | Variance         |
|------------------------------------|-------------------|----------------|----------------|------------------|
|                                    | 2010              | Actual         | Budget         | Over             |
|                                    | Actual            |                |                | (Under)          |
| <b>PROFESSIONAL DEVELOPMENT</b>    |                   |                |                |                  |
| Receipts                           |                   |                |                |                  |
| Transfers from other funds         | \$ 10,000         | -              | -              | -                |
| Expenditures                       |                   |                |                |                  |
| Salaries and benefits              | -                 | -              | 11,500         | (11,500)         |
| Tuition and interlocals            | 4,085             | 2,522          | 8,000          | (5,478)          |
| Supplies and other                 | 3,478             | 6,201          | 3,280          | 2,921            |
|                                    | <u>7,563</u>      | <u>8,723</u>   | <u>22,780</u>  | <u>(14,057)</u>  |
| Receipts over (under) expenditures | 2,437             | (8,723)        |                |                  |
| Unencumbered cash, beginning       | 20,342            | 22,779         |                |                  |
| Unencumbered cash, ending          | <u>\$ 22,779</u>  | <u>14,056</u>  |                |                  |
| <b>SPECIAL EDUCATION</b>           |                   |                |                |                  |
| Receipts                           |                   |                |                |                  |
| Medicaid                           | \$ -              | 3,097          | -              | 3,097            |
| Refund from Special Education Coop | -                 | 8,222          | -              | 8,222            |
| Transfers from other funds         | 386,569           | 406,301        | 322,160        | 84,141           |
|                                    | <u>386,569</u>    | <u>417,620</u> | <u>322,160</u> | <u>95,460</u>    |
| Expenditures                       |                   |                |                |                  |
| Salaries and benefits              | 12,100            | 9,725          | 18,815         | (9,090)          |
| Vehicle expense and other          | 2,000             | 3,167          | 4,100          | (933)            |
| Payments to Special Education Coop | 389,736           | 428,537        | 559,073        | (130,536)        |
|                                    | <u>403,836</u>    | <u>441,429</u> | <u>581,988</u> | <u>(140,559)</u> |
| Receipts over (under) expenditures | (17,267)          | (23,809)       |                |                  |
| Unencumbered cash, beginning       | 277,095           | 259,828        |                |                  |
| Unencumbered cash, ending          | <u>\$ 259,828</u> | <u>236,019</u> |                |                  |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|  |            | 2011    |         | Variance |
|--|------------|---------|---------|----------|
|  | 2010       | Actual  | Budget  | Over     |
|  | Actual     |         |         | (Under)  |
| <b>VOCATIONAL EDUCATION</b>                  |            |         |         |          |
| Receipts                                     |            |         |         |          |
| Transfers from other funds                   | \$ 75,328  | 101,763 | 88,000  | 13,763   |
| Expenditures                                 |            |         |         |          |
| Salaries and benefits                        | 82,897     | 85,593  | 128,500 | (42,907) |
| Equipment and other                          | -          | -       | 3,500   | (3,500)  |
|  | 82,897     | 85,593  | 132,000 | (46,407) |
| Receipts over (under) expenditures           | (7,569)    | 16,170  |         |          |
| Unencumbered cash, beginning                 | 51,569     | 44,000  |         |          |
| Unencumbered cash, ending                    | \$ 44,000  | 60,170  |         |          |
| <b>KPERS SPECIAL RETIREMENT CONTRIBUTION</b> |            |         |         |          |
| Receipts                                     |            |         |         |          |
| State KPERS aid                              | \$ 112,251 | 101,649 | 123,476 | (21,827) |
| Expenditures                                 |            |         |         |          |
| Instruction                                  | 76,459     | 69,428  | 82,500  | (13,072) |
| General administration                       | 8,677      | 7,811   | 9,000   | (1,189)  |
| School administration                        | 7,592      | 6,835   | 8,000   | (1,165)  |
| Other supplemental services                  | 3,255      | 2,929   | 4,500   | (1,571)  |
| Operations and maintenance                   | 7,591      | 6,835   | 8,500   | (1,665)  |
| Student transportation services              | 5,423      | 4,882   | 6,000   | (1,118)  |
| Food service                                 | 3,254      | 2,929   | 4,976   | (2,047)  |
|  | 112,251    | 101,649 | 123,476 | (21,827) |
| Receipts over (under) expenditures           | -          | -       |         |          |
| Unencumbered cash, beginning                 | -          | -       |         |          |
| Unencumbered cash, ending                    | \$ -       | -       |         |          |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|  |                       | 2011           |               | Variance<br>Over<br>(Under) |
|--|-----------------------|----------------|---------------|-----------------------------|
|  | 2010<br><u>Actual</u> | <u>Actual</u>  | <u>Budget</u> |                             |
| <b>CONTINGENCY RESERVE</b>                         |                       |                |               |                             |
| Receipts   |                       |                |               |                             |
| Transfers from other funds                         | \$ 13,426             | -              |               |                             |
| Expenditures                                       | <u>-</u>              | <u>-</u>       |               | NOT APPLICABLE              |
| Receipts over (under) expenditures                 | 13,426                | -              |               |                             |
| Unencumbered cash, beginning                       | <u>203,423</u>        | <u>216,849</u> |               |                             |
| Unencumbered cash, ending                          | <u>\$ 216,849</u>     | <u>216,849</u> |               |                             |
| <b>TEXTBOOK AND STUDENT<br/>MATERIAL REVOLVING</b> |                       |                |               |                             |
| Receipts   |                       |                |               |                             |
| Fees   | \$ 12,978             | 11,075         |               |                             |
| Transfers from other funds                         | <u>15,245</u>         | <u>-</u>       |               |                             |
|  | 28,223                | 11,075         |               |                             |
| Expenditures                                       |                       |                |               |                             |
| Materials  | <u>3,817</u>          | <u>24,563</u>  |               | NOT APPLICABLE              |
| Receipts over (under) expenditures                 | 24,406                | (13,488)       |               |                             |
| Unencumbered cash, beginning                       | <u>9,766</u>          | <u>34,172</u>  |               |                             |
| Unencumbered cash, ending                          | <u>\$ 34,172</u>      | <u>20,684</u>  |               |                             |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|  | 2010<br><u>Actual</u> | 2011          |               | Variance<br>Over<br>(Under) |
|--|-----------------------|---------------|---------------|-----------------------------|
|  |                       | <u>Actual</u> | <u>Budget</u> |                             |
| <b>RECREATION</b>                      |                       |               |               |                             |
| Receipts                               |                       |               |               |                             |
| Taxes                                  |                       |               |               |                             |
| Tax in process                         | \$ 901                | 937           | 543           | 394                         |
| Current tax                            | 22,133                | 22,046        | 21,354        | 692                         |
| Delinquent tax                         | 196                   | 281           | 356           | (75)                        |
| Vehicle tax                            | <u>3,058</u>          | <u>3,154</u>  | <u>3,307</u>  | <u>(153)</u>                |
|  | 26,288                | 26,418        | <u>25,560</u> | <u>858</u>                  |
| Expenditures                           |                       |               |               |                             |
| Appropriation to recreation commission | <u>27,000</u>         | <u>25,000</u> | <u>25,000</u> | <u>-</u>                    |
| Receipts over (under) expenditures     | (712)                 | 1,418         |               |                             |
| Unencumbered cash, beginning           | <u>21,800</u>         | <u>21,088</u> |               |                             |
| Unencumbered cash, ending              | <u>\$ 21,088</u>      | <u>22,506</u> |               |                             |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    | 2011            |                                       |                                       |                           |               | 2010<br>Total |
|------------------------------------|-----------------|---------------------------------------|---------------------------------------|---------------------------|---------------|---------------|
|                                    | Title I<br>ESEA | Title II-A<br>Class Size<br>Reduction | Title II-D<br>Technology<br>Education | Small<br>Rural<br>Schools | Total         |               |
|                                    |                 |                                       |                                       |                           |               |               |
| <b>FEDERAL GOVERNMENT PROGRAMS</b> |                 |                                       |                                       |                           |               |               |
| Receipts                           |                 |                                       |                                       |                           |               |               |
| Federal and state grants           | \$ 22,545       | 14,618                                | 76                                    | 36,254                    | 73,493        | 57,446        |
| ARRA stabilization funds           | -               | -                                     | -                                     | -                         | -             | 10,078        |
| Reallocation of grant proceeds     | 7,309           | -                                     | -                                     | -                         | 7,309         | -             |
|                                    | <u>29,854</u>   | <u>14,618</u>                         | <u>76</u>                             | <u>36,254</u>             | <u>80,802</u> | <u>67,524</u> |
| Expenditures                       |                 |                                       |                                       |                           |               |               |
| Salaries and benefits              | 29,592          | -                                     | -                                     | -                         | 29,592        | 40,293        |
| Transfer                           | -               | 7,309                                 | -                                     | -                         | 7,309         | -             |
| Equipment and supplies             | 262             | 7,309                                 | 76                                    | 35,330                    | 42,977        | 25,442        |
|                                    | <u>29,854</u>   | <u>14,618</u>                         | <u>76</u>                             | <u>35,330</u>             | <u>79,878</u> | <u>65,735</u> |
| Receipts over (under) expenditures | -               | -                                     | -                                     | 924                       | 924           | 1,789         |
| Unencumbered cash, beginning       | -               | -                                     | -                                     | 30                        | 30            | (1,759)       |
| Unencumbered cash, ending          | <u>\$ -</u>     | <u>-</u>                              | <u>-</u>                              | <u>954</u>                | <u>954</u>    | <u>30</u>     |

Legally adopted budget not applicable

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET

Year ended June 30, 2011

(With comparable actual totals for the prior year ended June 30, 2010)

|                                    |                   | 2011           |                | Variance<br>Over<br>Under |
|------------------------------------|-------------------|----------------|----------------|---------------------------|
|                                    | 2010<br>Actual    | Actual         | Budget         | (Under)                   |
| <b>BOND AND INTEREST</b>           |                   |                |                |                           |
| Receipts                           |                   |                |                |                           |
| Taxes                              |                   |                |                |                           |
| Tax in process                     | \$ 4,362          | 4,805          | 2,804          | 2,001                     |
| Current tax                        | 113,454           | 118,711        | 113,821        | 4,890                     |
| Delinquent tax                     | 1,086             | 4,294          | 1,823          | 2,471                     |
| Vehicle tax                        | 16,583            | 12,690         | 16,347         | (3,657)                   |
| State aid                          | 78,108            | 79,927         | 79,927         | -                         |
|                                    | <u>213,593</u>    | <u>220,427</u> | <u>214,722</u> | <u>5,705</u>              |
| Expenditures                       |                   |                |                |                           |
| Principal                          | 170,000           | 175,000        | 175,000        | -                         |
| Interest                           | 46,967            | 41,018         | 41,018         | -                         |
|                                    | <u>216,967</u>    | <u>216,018</u> | <u>216,018</u> | <u>-</u>                  |
| Receipts over (under) expenditures | (3,374)           | 4,409          |                |                           |
| Unencumbered cash, beginning       | <u>115,544</u>    | <u>112,170</u> |                |                           |
| Unencumbered cash, ending          | <u>\$ 112,170</u> | <u>116,579</u> |                |                           |

See notes to financial statements

## Unified School District No. 411

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES

## School Activity Funds

Year ended June 30, 2011

|                               | <u>Beginning<br/>Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending<br/>Balance</u> |
|-------------------------------|------------------------------|-----------------|----------------------|---------------------------|
| <b>ACTIVITY GATE RECEIPTS</b> |                              |                 |                      |                           |
| High school                   |                              |                 |                      |                           |
| Athletics                     | \$ 3,245                     | 37,818          | 37,344               | 3,719                     |
| Plays                         | 753                          | 3,475           | 3,411                | 817                       |
| Totals to Statement 1         | <u>\$ 3,998</u>              | <u>41,293</u>   | <u>40,755</u>        | <u>4,536</u>              |
| <b>SCHOOL PROJECTS</b>        |                              |                 |                      |                           |
| High school                   |                              |                 |                      |                           |
| Yearbooks                     | \$ 17,171                    | 8,247           | 11,252               | 14,166                    |
| Other                         | 176                          | 1,035           | 1,000                | 211                       |
| Grade school                  |                              |                 |                      |                           |
| Other                         | -                            | 1,404           | 1,463                | (59)                      |
| Totals to Statement 1         | <u>\$ 17,347</u>             | <u>10,686</u>   | <u>13,715</u>        | <u>14,318</u>             |

See notes to financial statements



## Unified School District No. 411

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES

## School Activity Funds

Year ended June 30, 2011

|  | <u>Beginning<br/>Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|-----------------|----------------------|---------------------------|
| <b>STUDENT ORGANIZATIONS</b>                 |                              |                 |                      |                           |
| High school                                  |                              |                 |                      |                           |
| Student councils                             | \$ 3,455                     | 11,761          | 11,903               | 3,313                     |
| Class of 2011                                | 2,879                        | 805             | 3,498                | 186                       |
| Class of 2012                                | 874                          | 6,815           | 5,977                | 1,712                     |
| Class of 2013                                | 619                          | 546             | 110                  | 1,055                     |
| Class of 2014                                | -                            | 303             | -                    | 303                       |
| FFA  | 2,068                        | 12,606          | 14,419               | 255                       |
| FCCLA  | 2,934                        | 6,927           | 7,917                | 1,944                     |
| Elbiata                                      | 1,763                        | 1,495           | 920                  | 2,338                     |
| Cheerleaders                                 | 537                          | -               | 537                  | -                         |
| Concessions                                  | 1,569                        | 7,513           | 8,372                | 710                       |
| Trip fund                                    | 1,199                        | 4,724           | 3,172                | 2,751                     |
| See  | 966                          | 119             | 713                  | 372                       |
| Model UN                                     | 2                            | 771             | 721                  | 52                        |
| Other  | 832                          | 4,150           | 3,963                | 1,019                     |
| Grade school                                 |                              |                 |                      |                           |
| Student council                              | 630                          | 429             | 504                  | 555                       |
| 4th, 5th and 6th Grade                       | 2,117                        | 5,746           | 3,728                | 4,135                     |
| Nature grant                                 | 502                          | -               | -                    | 502                       |
| Computer                                     | 587                          | 241             | -                    | 828                       |
| Other  | 87                           | 187             | 107                  | 167                       |
| Total cash basis activity                    | 23,620                       | 65,138          | 66,561               | 22,197                    |
| Adjustments for encumbrances<br>and payables | (23,620)                     | -               | (1,423)              | (22,197)                  |
| Totals to Statement 1                        | \$ -                         | 65,138          | 65,138               | -                         |

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 411, Goessel, Kansas, is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 411 (the primary government) as the only component unit.

The Goessel Recreation Commission which operates recreational programs within the District is a jointly governed organization. The District and the City of Goessel each appoint two members of the recreation commission board. Property taxes for the Goessel Recreation Commission are levied by the District.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2011:

Governmental Funds

General Funds - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expend for specified purposes.

Debt Service Fund - to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Fiduciary Funds

To account for assets held as an agent for individuals, other governmental units, private organizations, and/or other funds.

Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The District has approved a resolution that is in conformity with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, long-term debt such as general obligation bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Activity Funds

Under provisions of K.S.A. 72-8208a, the Board of Education adopted a resolution relating to the school activity fund which results in the activity funds being accounted for under policies and procedures of the Board. In these financial statements, student organization activity funds of the District are classified as fiduciary funds. District activity funds including gate receipts and school projects are classified as special revenue funds.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
2. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
3. Adoption of the final budget on or before August 25th.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

2. BUDGETARY INFORMATION (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District's 2011 budget was not amended.

The budget of the general fund of a unified school district is based on estimated enrollment for the district. After the school year has begun, the enrollment for each district is audited by the Kansas Department of Education. This enrollment will determine the legal maximum budget for the district, and if this "legal max" budget is less than the adopted budget, the general fund budget of the district is automatically reduced to the computed amount. If this "legal max" budget is greater than the adopted budget, the District must amend the budget (see prior paragraph) to the "legal max" amount to have the additional budget authority. The District's general fund budget for the year ended June 30, 2011 was reduced to the "legal max" of \$2,135,823.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds:

- Contingency reserve
- Textbook and student material revolving
- Federal government programs
- Activity fund accounts

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or the use of internal spending limits established by the governing body.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no investment policy that would further limit interest rate risk.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

3. DEPOSITS AND INVESTMENTS (Continued)

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated peak periods. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the carrying amount of the District's deposits was \$1,306,701. The bank balance totaled \$1,404,191. The balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$321,379 was covered by FDIC insurance with the remaining \$1,082,812 collateralized with securities held by the pledging financial institution's agents in the District's name.

Composition of Cash and Investments

The cash and investments of the District at June 30, 2011, consisted of the following:

The Citizens State Bank, Goessel

Interest bearing

|                                 |              |
|---------------------------------|--------------|
| Regular account (NOW account)   | \$ ( 75,161) |
| Premium investment account      | 1,332,811    |
| High school activity fund       | 36,169       |
| Grade school activity fund      | 6,877        |
| Scholarship fund                | <u>5</u>     |
| Total interest bearing deposits | 1,300,701    |

Demand account

|                               |                     |
|-------------------------------|---------------------|
| Petty cash fund               | 1,000               |
| Medical reimbursement account | <u>5,000</u>        |
| Total cash                    | \$ <u>1,306,701</u> |

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

4. GENERAL LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

| <u>Issue</u>              | <u>Interest Rates</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Maturity Date</u> | <u>Balance 6-30-10</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 6-30-11</u> | <u>Interest Paid</u> |
|---------------------------|-----------------------|----------------------|------------------------|----------------------|------------------------|------------------|-------------------|------------------------|----------------------|
| General Obligation Bonds: |                       |                      |                        |                      |                        |                  |                   |                        |                      |
| Refinancing issue         |                       |                      |                        |                      |                        |                  |                   |                        |                      |
| Series 2002               | 2.00-4.20%            | 9/15/2002            | \$2,130,000            | 4/1/2016             | <u>\$1,045,000</u>     | <u>-</u>         | <u>175,000</u>    | <u>870,000</u>         | <u>41,018</u>        |

Current maturities of long-term debt and interest through maturity are as follows:

|                              | <u>Year ended June 30</u> |                |                |                |               | <u>Total</u>   |
|------------------------------|---------------------------|----------------|----------------|----------------|---------------|----------------|
|                              | <u>2012</u>               | <u>2013</u>    | <u>2014</u>    | <u>2015</u>    | <u>2016</u>   |                |
| PRINCIPAL                    |                           |                |                |                |               |                |
| General Obligation Bonds     | \$185,000                 | 190,000        | 200,000        | 210,000        | 85,000        | 870,000        |
| INTEREST                     |                           |                |                |                |               |                |
| General Obligation Bonds     | <u>34,718</u>             | <u>27,780</u>  | <u>20,180</u>  | <u>12,180</u>  | <u>3,570</u>  | <u>98,428</u>  |
| TOTAL PRINCIPAL AND INTEREST | <u>\$219,718</u>          | <u>217,780</u> | <u>220,180</u> | <u>222,180</u> | <u>88,570</u> | <u>968,428</u> |

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 established the KPERs member-employee contribution rate at 4.0% to 6.0% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. The contribution rate for the state for the period from July 01, 2010, through June 30, 2011, was 9.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$253,834,044, \$248,468,186 and \$242,277,363 respectively, equal to the required contributions for each year.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

## 6. COMPENSATED ABSENCES

Vacation

Full-time staff who work all twelve months of the year earn annual vacations of one to four weeks depending upon position and length of employment. Teachers and other staff working for the District less than twelve months each contract year do not receive paid vacations. Unused vacation time has not been recorded as a liability in the accompanying financial statements.

Sick Leave

Full-time certified and classified personnel earn twelve days of sick leave per year cumulative to a maximum of seventy-five days. Regularly employed personnel working less than full time earn sick leave on a pro-rated basis per year cumulative to a maximum of forty-five days. Unused sick leave is not paid to terminating employees. Unused sick leave has not been recorded as a liability in the accompanying financial statements.

## 7. INTERFUND TRANSACTIONS

Operating transfers during the year ended June 30, 2011, were as follows:

| <u>Transfers to</u>  | <u>Transfers from</u> |                     |                   |                |
|----------------------|-----------------------|---------------------|-------------------|----------------|
|                      | <u>General</u>        | <u>Supplemental</u> | <u>Title II-A</u> | <u>Total</u>   |
| At-Risk (K-12)       | \$ 19,816             | 44,828              | -                 | 64,644         |
| Capital Outlay       | 18,223                | -                   | -                 | 18,223         |
| Driver Training      | -                     | 21,218              | -                 | 21,218         |
| Food Service         | -                     | 25,000              | -                 | 25,000         |
| Special Education    | 341,301               | 65,000              | -                 | 406,301        |
| Vocational Education | 7,467                 | 94,296              | -                 | 101,763        |
| Title I ESEA         | -                     | -                   | 7,309             | 7,309          |
|                      | <u>\$ 386,807</u>     | <u>250,342</u>      | <u>7,309</u>      | <u>644,458</u> |

Transfers from the general fund are authorized by KSA 72-6428 and transfers from the supplemental general fund are authorized by KSA 72-6433.

## 8. DATE OF MANAGEMENT'S REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2011, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through September 27, 2011, which is the date at which the financial statements were available to be issued.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

## 9. COMPLIANCE WITH KANSAS STATUTES

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

STATUTORY REVENUES AND EXPENDITURES -  
STATUTORY AND BUDGET  
Year ended June 30, 2011

|                                       | Statutory<br>Transactions | Budget           | Variance<br>Over<br>(Under) |
|---------------------------------------|---------------------------|------------------|-----------------------------|
| <b>GENERAL</b>                        |                           |                  |                             |
| Statutory revenues                    |                           |                  |                             |
| Taxes                                 |                           |                  |                             |
| Tax in process                        | \$ 8,036                  | 3,841            | 4,195                       |
| Current tax                           | 196,031                   | 187,636          | 8,395                       |
| Delinquent tax                        | 2,236                     | 3,147            | (911)                       |
| Mineral production tax                | 50                        | 22               | 28                          |
| ARRA stabilization funds              | 38,062                    | 38,062           | -                           |
| General state aid                     | 1,525,306                 | 1,682,622        | (157,316)                   |
| Special education state aid           | 299,454                   | 322,160          | (22,706)                    |
| Education Jobs Fund                   | 66,646                    | -                | 66,646                      |
|                                       | <u>2,135,821</u>          | <u>2,237,490</u> | <u>(101,669)</u>            |
| Expenditures                          |                           |                  |                             |
| Instruction                           | 930,924                   | 1,044,322        | (113,398)                   |
| Instructional support                 | 12,674                    | 16,650           | (3,976)                     |
| General administration                | 137,009                   | 157,310          | (20,301)                    |
| School administration                 | 199,151                   | 203,250          | (4,099)                     |
| Operation and maintenance             | 283,749                   | 320,065          | (36,316)                    |
| Student transportation                | 143,616                   | 129,450          | 14,166                      |
| Other support                         | 41,892                    | 44,285           | (2,393)                     |
| Operating transfers                   | 386,807                   | 322,160          | 64,647                      |
| Adjustment to comply with legal max   | -                         | (101,669)        | 101,669                     |
| Total expenditures                    | <u>2,135,822</u>          | <u>2,135,823</u> | <u>(1)</u>                  |
| Revenue over (under) expenditures     | (1)                       |                  |                             |
| Modified unencumbered cash, beginning | <u>2</u>                  |                  |                             |
| Modified unencumbered cash, ending    | <u>\$ 1</u>               |                  |                             |



NOTES TO FINANCIAL STATEMENTS

June 30, 2011

9. COMPLIANCE WITH KANSAS STATUTES (Continued)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued)

STATUTORY REVENUES AND EXPENDITURES -  
STATUTORY AND BUDGET  
Year ended June 30, 2011

|                                       | Statutory<br><u>Transactions</u> | <u>Budget</u>  | Variance<br>Over<br><u>(Under)</u> |
|---------------------------------------|----------------------------------|----------------|------------------------------------|
| <b>SUPPLEMENTAL GENERAL</b>           |                                  |                |                                    |
| Statutory revenues                    |                                  |                |                                    |
| Taxes                                 |                                  |                |                                    |
| Tax in process                        | \$ 11,900                        | 6,864          | 5,036                              |
| Current tax                           | 279,503                          | 255,224        | 24,279                             |
| Delinquent tax                        | 3,248                            | 4,514          | (1,266)                            |
| Vehicle tax                           | 37,207                           | 39,310         | (2,103)                            |
| Supplemental state aid                | <u>326,708</u>                   | <u>327,777</u> | <u>(1,069)</u>                     |
|                                       | <u>658,566</u>                   | <u>633,689</u> | <u>24,877</u>                      |
| Expenditures                          |                                  |                |                                    |
| Instruction                           | 368,455                          | 417,000        | (48,545)                           |
| Instructional support                 | 12,203                           | -              | 12,203                             |
| School administration                 | -                                | 15,000         | (15,000)                           |
| Operation and maintenance             | 30,000                           | 30,000         | -                                  |
| Operating transfers                   | <u>250,342</u>                   | <u>199,000</u> | <u>51,342</u>                      |
|                                       | <u>661,000</u>                   | <u>661,000</u> | <u>-</u>                           |
| Revenue over (under) expenditures     | (2,434)                          |                |                                    |
| Modified unencumbered cash, beginning | <u>27,320</u>                    |                |                                    |
| Modified unencumbered cash, ending    | <u>\$ 24,886</u>                 |                |                                    |

|   | <u>General</u>      | Supplemental<br><u>General</u> |
|---|---------------------|--------------------------------|
| <b>RECONCILIATION - STATE AID</b>                       |                     |                                |
| General state aid - cash received                       | \$ 1,627,044        | 370,838                        |
| Less received July 2010 for year ended<br>June 30, 2010 | (174,601)           | (63,540)                       |
| Add received July 2011 for year ended<br>June 30, 2011  | <u>72,863</u>       | <u>19,410</u>                  |
| Statutory revenue - above                               | <u>\$ 1,525,306</u> | <u>326,708</u>                 |